



OFFICE OF
THE
MISSOURI
STATE
AUDITOR

Missouri State Auditor
Scott Fitzpatrick

ANNUAL REPORT

2023





MESSAGE FROM AUDITOR FITZPATRICK

Serving as your State Auditor is an incredible honor that comes with the immense duty of keeping a watchful eye on elected officials and bureaucrats at every level of government. Whether it be at the local, county, or state level, taxpayers deserve to know their tax dollars are being used responsibly, and their government officials are acting in their best interest. My office acts as an independent investigator working to hold government accountable and to ensure government operates as efficiently, effectively, and transparently as possible.

In 2023 we released 90 reports with the goal of giving Missouri citizens a much better understanding of how their governmental entities are performing. Our reports uncovered egregious mismanagement and even theft of public money, while also shining a light on inefficiencies that simply should not happen at any level of government. The audit reports we completed play an important role in rooting out wasteful and fraudulent spending, and they also provide a roadmap for these entities to address shortcomings and make improvements that will allow them to better serve the people of our state.

I'm incredibly proud of the team we have in place here that works on a daily basis to make sure your government is functioning in a manner you can trust. In the coming year we will continue to do this important work while also expanding our reach so we can fight against waste and fraud wherever it may hide.

It is an honor and a privilege to serve as your taxpayer watchdog and we will not rest in our efforts to protect your tax dollars from misuse.

Scott Fitzpatrick

DUTIES OF THE STATE AUDITOR

The State Auditor's Office is Missouri's independent watchdog for taxpayers. The Missouri Constitution and state law give the State Auditor authority to audit:

- All state agencies, boards, and commissions
- School districts
- State court system
- Public employee retirement and healthcare systems
- Counties that do not have a county auditor
- Transportation Development Districts, Community Improvement Districts, and Land Bank Agencies
- Other political subdivisions upon petition by the voters of those subdivisions

The State Auditor's Office works to ensure the proper use of public funds and to improve the efficiency and effectiveness of Missouri government.

Audits examine financial accountability; look for waste, abuse and fraud; and evaluate whether government organizations and programs are achieving their purposes and operating economically and efficiently. All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

Fiscal Notes

The State Auditor's office is responsible for assessing the fiscal impact of constitutional amendment petitions, statutory initiative petitions, and referendum petitions, as well as joint resolutions proposing constitutional amendments or bills adopted by the General Assembly without a fiscal note summary, which are to be referred to a public vote. The fiscal note and fiscal note summary for each petition, joint resolution, or bill state the initiative's estimated costs or savings, if any, to state and local governmental entities, and must be completed within 20 days of receipt.

Bond Registration

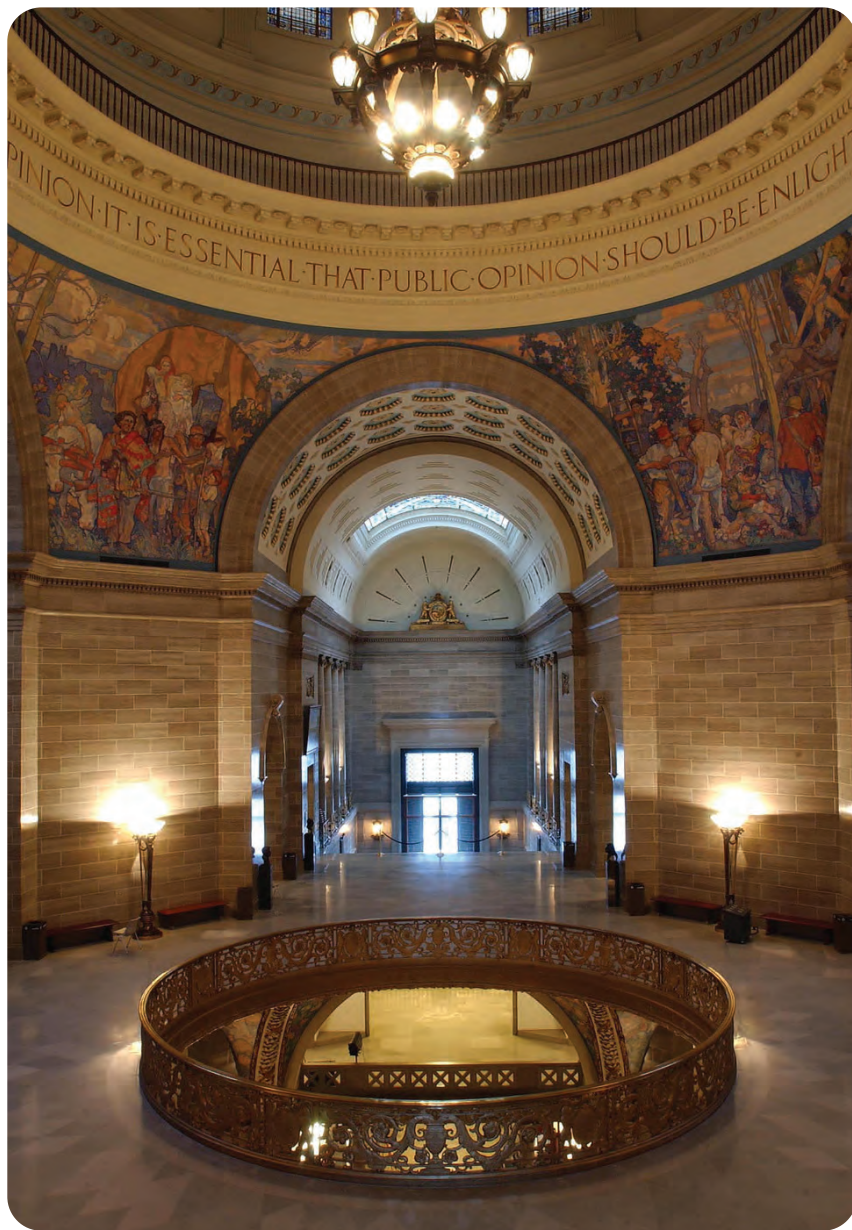
The State Auditor's office is responsible for reviewing and registering general obligation bonds issued by political subdivisions in Missouri to ensure those bonds comply with both state law and the conditions of the contracts under which the bonds will be issued.

Review of Property Tax Rates

State law requires the Missouri State Auditor annually to certify all taxing jurisdictions throughout Missouri as to their compliance with state law and the tax limitation provisions in Article X, Sections 16 through 24 of the Missouri Constitution, commonly known as the Hancock Amendment. The State Auditor's office property tax rate report states whether a taxing jurisdiction has met its obligation to set an overall tax rate at a level approved by voters and within the limits set by Missouri law.

Financial Reports

State law requires the State Auditor's Office to notify the Department of Revenue if any city, town, or village fails to timely submit a copy of its annual financial report. State statute also requires the office to report the filing status of political subdivisions other than cities, towns, and villages that are required to file.





During his first year in the position, Auditor Fitzpatrick committed to increasing staffing levels in order to make his office a more effective taxpayer watchdog. When he assumed his duties as State Auditor in January of 2023, Fitzpatrick inherited an office that was significantly understaffed. While the legislature had authorized a staff of 167 full-time employees, Fitzpatrick began his administration with only 89 full-time employees.

After taking office, Auditor Fitzpatrick worked quickly to fill staff vacancies as he hired 20 audit staff, but the lack of additional budget resources prevented him from staffing his office to its intended levels. He immediately began working with the General Assembly to improve funding levels for the office so that it would be possible to hire the staff necessary to adequately perform all duties assigned to the State Auditor's Office. While he made great progress toward obtaining that funding in 2023, his work continues in 2024 with the goal of securing a sufficient budget to fully staff the office.



PEER REVIEW PROVIDES HIGHEST RATING POSSIBLE

State Auditor Fitzpatrick was proud to see his office receive the highest rating possible during an external peer review conducted by the National State Auditors Association (NSAA).

The review conducted by the NSAA's External Peer Review Program provided the State Auditor's Office with a rating of "pass," which is the highest rating possible. The independent assessment determined the quality control system has been suitably designed and implemented to provide the State Auditor's Office with reasonable assurance of performing and reporting in conformity with Government Auditing Standards. The review covered quality control processes in place between September 1, 2022, and August 31, 2023. During that time, the office released more than 100 reports, which included reviews of statewide officeholders, state departments, local governments, and courts.

"Our staff members here in the State Auditor's Office are dedicated professionals who do outstanding work each day to make sure government at all levels is accountable and transparent. The outcome of the peer review provided by the National State Auditors Association is proof that the work we do complies with the most stringent auditing standards," said Auditor Fitzpatrick. "I am extremely proud of our team for their commitment to adeptly serve the people of Missouri as we work to root out fraud and improve government efficiency."

The NSAA's External Peer Review Program is administered by the National Association of State Auditors, Comptrollers, and Treasurers. The review team included representatives from seven other state audit organizations and the federal government. A peer review is required every three years for organizations that conduct governmental audits under Government Auditing Standards.

This marks the first time the office has been reviewed by the NSAA while under the leadership of Auditor Fitzpatrick.



DEFENDING THE INTEGRITY OF THE FISCAL NOTE PROCESS

In March 2023, 11 versions of a proposed constitutional amendment were filed with the Missouri Secretary of State's Office that would eventually become the source of a legal dispute that would make its way from the Circuit Court all the way to the Missouri Supreme Court, producing a resounding victory for State Auditor Scott Fitzpatrick each time. The legal challenges targeted the authority of Auditor Fitzpatrick to prepare fiscal notes and fiscal note summaries that are as fair and accurate as possible, and prompted him to defend a process that has been used for decades to provide information regarding the fiscal impact of policy proposals to Missouri voters, while also highlighting the limitations of the Attorney General's Office as it attempted to slow down the normally efficient process by providing a level of oversight that exceeded its statutory authority.

The process began normally when, in accordance with state law, the Secretary of State sent the proposed amendments to the State Auditor to create a fiscal note and a fiscal note summary that states "the measure's estimated cost or savings, if any, to state or local governmental entities." In creating the fiscal note, the State Auditor's Office consulted with 60 state and local government entities, including the Attorney General's Office. Both proponents and opponents of the proposed measures were also able to submit statements of fiscal impact estimating the cost of the proposal. The State Auditor's Office had 10 days from receiving the amendments to collect all statements of fiscal impact from proponents and opponents.

Upon receiving information about the cost of the proposal, the State Auditor's Office evaluated the information received, and prepared the fiscal note and fiscal note summary. The summary was required to be no more than 50 words and could not be argumentative or likely to create prejudice for or against the proposal. As a safeguard to ensure Missouri citizens who use the initiative petition process will see the certification process completed in a timely fashion, the State Auditor's Office has 20 days from receiving the proposed petition to prepare the fiscal note and fiscal note summary to send them to the Attorney General, who then has 10 days to approve the legal content and form of the fiscal note summary.

The Attorney General deviated from his perfunctory, ministerial role prescribed by state statute when instead of approving the legal content and form of the fiscal note summary, he demanded that Auditor Fitzpatrick increase the cost estimate to the state by billions of dollars. Because the Attorney General's preferred cost estimate was unreasonable, and directly conflicted with estimates provided by the state departments that oversee the areas impacted by the proposed amendments, Fitzpatrick refused to mislead voters by modifying the fiscal note summary to include the inaccurate information proposed by the Attorney General. As a result, the normally noncontroversial and expeditious process ground to a halt. A lawsuit was then filed by the petitioner to force the hand of either the Attorney General to approve the fiscal note summary, or the Auditor to capitulate to the Attorney General's demands. This gave Auditor Fitzpatrick the opportunity to defend his office's process for preparing unbiased fiscal note summaries for voters to rely on when voting.

The 20-day window the State Auditor has to gather information and prepare fiscal notes exists so the process will move quickly and citizens will have sufficient time to put their petition on the ballot. In his defense of the work his office does to prepare fiscal notes and fiscal note summaries, Auditor Fitzpatrick also stood in opposition to efforts to render the process for producing certified ballot titles unconstitutional by denying Missourians their right to use the initiative petition process through delay tactics.



THE COURTS AFFIRM THE AUDITOR'S AUTHORITY

The authority of Fitzpatrick and the State Auditor's Office to produce fair and accurate fiscal notes was first affirmed by Cole County Circuit Judge Jon Beetem, who found there was "an absolute absence of authority to conclude the Attorney General is permitted to send the auditor's fiscal note summary back for revision simply because he disagrees with the auditor's estimated cost or savings of a proposed measure." Beetem also noted the Attorney General at one time had the authority to draft fiscal note summaries, but the General Assembly repealed that authority in 1980. "It is illogical to conclude that the General Assembly repealed the attorney general's authority to draft fiscal note summaries," he wrote, "but silently intended for the attorney general to be able to substitute his judgment as to the estimated cost or savings of a measure for that of the auditor's."

The ruling at the Circuit Court level was immediately appealed by the Attorney General's Office and then heard by the Missouri Supreme Court. The highest court in the state moved quickly to make its decision as the Supreme Court justices issued their ruling just two days after hearing arguments in the case. In its unanimous decision, the Supreme Court was critical of the Attorney General's refusal to sign off on the work of Auditor Fitzpatrick. In an opinion written by Missouri Supreme Court Justice Paul Wilson, the court concluded that nothing in state law "gives the attorney general authority to question the auditor's assessment of the fiscal impact of a proposed petition." With that, the ruling made by Cole County Circuit Court Judge Jon Beetem was upheld and the Attorney General's Office was given 24 hours to approve Auditor Fitzpatrick's fiscal note summary.

While the dispute between Auditor Fitzpatrick and the Attorney General was now settled, another lawsuit challenging the methodology used to prepare the fiscal note summary was filed in an attempt to replace the Auditor's cost estimate with one that was billions of dollars higher. Once again, Cole County Circuit Court Judge Jon Beetem ruled in favor of Auditor Fitzpatrick by concluding, "the auditor has a solemn duty to provide voters with unbiased fiscal note summaries that are as accurate as possible, and when those fiscal note summaries are fair and sufficient, his methodology for creating those summaries will not be disturbed." The Western District Court of Appeals then unanimously affirmed Judge Beetem's judgment saying the fiscal note and fiscal note summary prepared by Auditor Fitzpatrick are fair and sufficient, and reemphasizing the great discretion with which the State Auditor is vested. The matter was finally settled when the Missouri Supreme Court rejected an appeal of the lower court's decision.

As the legal proceedings surrounding the fiscal note and fiscal note summary came to a close, Fitzpatrick pointed out that the work done by his office had "endured the intense scrutiny of 10 different judges at every level of our court system, and all of them have said we did our job within the confines of the law." He added, "We will continue to do that and will defend our work as often as necessary in order to ensure voters have unbiased fiscal impact information on their ballots."



PROTECTING HOMEOWNERS IN JACKSON COUNTY

Homeowners in Jackson County faced immense challenges in 2023 as they saw the assessed valuations of their properties skyrocket, and with it the potential for their property tax bill to dramatically increase as well. The process used by the Jackson County Assessment Department to assess property values produced the biggest increases seen by any county in the state and led to nearly 55,000 property owners filing appeals. The alarming spike in property values and hundreds of complaints submitted by homeowners to the Whistleblower Hotline prompted an investigation by the Missouri State Auditor's Office that led to an official invitation from the Jackson County Legislature to conduct a full audit of the assessment process.

While the audit work is ongoing, in December of 2023, Missouri State Auditor Scott Fitzpatrick was able to deliver some much-needed good news when he announced a set of preliminary results that found as many as 200,000 homeowners in Jackson County were the victims of a flawed and inadequate assessment process that failed to comply with state law. The State Tax Commission reviewed the findings of fact presented to county officials by the Auditor and agreed with the Auditor's summary of the serious problems with the Jackson County 2023 assessment described in the initial report. Fitzpatrick's message to property owners was clear - the failure of the Jackson County Assessment Department to abide by the law should invalidate all increases in assessed valuation over 15 percent.

Fitzpatrick said his office determined the department failed to provide property owners with adequate notification of their rights regarding physical inspections, and the notification that was given was inaccurate and often untimely. None of the letters sent to property owners included information that a physical inspection was required by statute or explained the owner's rights relating to the physical inspection beyond a statement regarding the right to an interior inspection. As a result, Jackson County property owners may not have known they were entitled to an exterior inspection and to request an interior inspection, and were denied the benefit of these physical inspections before their timeline for appeal expired.

"We're still in the initial stages of our audit but it has already become abundantly clear the Jackson County Assessor's Office violated the law by providing untimely and legally deficient notification during the assessment process," said Fitzpatrick. "I urge the Jackson County Legislature to take our concerns into consideration and explore all possible remedies for the thousands of innocent homeowners wronged by an invalid process. I would also tell Jackson County residents who saw their home values increase by more than 15 percent that if I were in their shoes, and felt my assessment was unfair, I would pay my taxes under protest and plan to pursue remedies available to me by law based on my individual circumstances in the event the County does not remedy the flawed assessments."

Fitzpatrick said the Jackson County Legislature, County Executive, and Assessor should determine what remedies are available, such as limiting 2023 assessed valuation increases to 15 percent, using prior year assessed valuations, or allowing additional appeals and/or tax protests; then notify taxpayers of these remedies, and allow adequate time for the taxpayers to pursue such remedies.

The audit continues but the preliminary results released by Fitzpatrick have already served as the impetus for a lawsuit filed by both the State Tax Commission and the Missouri Attorney General's Office against Jackson County. The result of that litigation and other efforts to provide tax relief to Jackson County homeowners are pending.

UNCOVERING GOVERNMENT **INEFFICIENCY**

A report issued by Auditor Fitzpatrick raised questions about the efficacy of a vocational enterprise program created to prepare offenders for success in the workplace upon release. The audit of the Missouri Vocational Enterprise (MVE) Program operated by the Missouri Department of Corrections (DOC) revealed a troubling picture of a program that is lacking in oversight and failing to prioritize job training for offenders who will return to the workforce the soonest.

"The purpose of this program is to help released prisoners integrate back into society by teaching them a marketable skill - benefiting them and their communities. Unfortunately, the department seems to have prioritized building a stable workforce of long-term offenders rather than supporting the program's intended purpose of helping offenders gain the skills they need to find jobs when they leave prison," said Auditor Fitzpatrick. "There is no doubt the MVE program can have significant benefits for our state, but the Department of Corrections needs to implement corrective measures to realign the administration of the program with its goal of training individuals who will have an opportunity to use their skills outside of the correctional system."

The MVE program operates 22 facilities employing 892 offenders in 12 institutions housing 23,065 offenders. The audit found the hiring practices for the program have favored long-term offenders resulting in approximately 35 percent of participants having more than 10 expected years on their sentences, including 24 percent of participants with more than 20 expected years remaining and 18 percent of participants with 40 or more expected years remaining. Less than half (49 percent) of the offenders in the program are expected to be released in the next five years.

The audit also identified an issue with the DOC locating program facilities primarily in institutions with longer remaining sentences and higher security levels. The report noted that all of the seven institutions with an average remaining sentence of eight years or more have at least one program facility. Included in that are four institutions with an average remaining sentence of greater than 30 years. In contrast, only five of the 12 facilities with an average remaining sentence of less than five years have an MVE facility. As a result, a significant number of offenders do not have access to program jobs and skills training.

Additionally, the audit noted 21 of the 22 program facilities are at full capacity, which means no positions are currently available for short-term offenders in the majority of program facilities. Even more problematic, because the program has an overrepresentation of long-term offenders, fewer openings will become available in the near future.

Another significant finding in the audit highlighted the failure of DOC officials to analyze industry demand projections to ensure the program provides training in areas that are in demand in the private sector. According to data from the Missouri Economic Research and Information Center (MERIC), 64 percent of offenders hired by the program are being trained in industries projected to have declining demand.

Other findings in the report include a lack of adequate planning and oversight of the program; a lack of guidance from the Advisory Board of Vocational Enterprises Program because key vacancies have not been filled; a failure to establish performance measures to track the effectiveness of the program; and a failure to report program performance to the legislature.





WORKING TO BETTER PROTECT YOUR TAX DOLLARS

While spending at the local government level has increased dramatically in recent years due to a massive influx of federal pandemic stimulus dollars, Missouri State Auditor Scott Fitzpatrick and his office continue to be limited in their ability to make sure many of these entities are held accountable for their actions. During his time in office, Auditor Fitzpatrick has worked with the Missouri General Assembly on legislation that would give the State Auditor's Office greater ability to audit any local government when improper activity has occurred.

"As the state's taxpayer watchdog, we regularly hear from Missourians who want our help in rooting out fraud and abuse in their local governments. These concerned citizens who turn to us for help are shocked when they find out that even if we uncover improper governmental activity during an investigation the burden is still on the citizens to gather signatures to allow us to conduct a full audit," said Fitzpatrick.

Under current state law, the State Auditor's Office has the ability to audit state agencies, boards and commissions, the circuit court system, most counties, school districts and charter schools, community improvement districts, transportation development districts, solid waste management districts, and land bank agencies. The office is not authorized to audit counties that have a county auditor or political subdivisions such as municipalities, fire protection districts, ambulance districts, and sewer districts. For these governmental entities, the State Auditor's Office must be invited in by the governing body or by a petition signed by voters - even in cases where an initial investigation uncovers the likelihood of fraud.

"It's unfair and cumbersome to ask citizens already frustrated with a local government that may be misusing their tax dollars to then jump through bureaucratic hoops in order to hold their government officials accountable. My office is ready and willing to take that burden from Missourians and get in the ring on their behalf so we can take the fight to anyone who misuses our tax dollars," said Fitzpatrick.

During his time in office, Fitzpatrick has asked lawmakers to approve legislation that would allow the State Auditor's Office to conduct an audit of local entities in cases where an investigation finds improper government activity has occurred. In addition, an audit could be conducted upon request by a prosecuting attorney, circuit attorney, or law enforcement agency as part of an investigation of improper activity. The legislation would allow the State Auditor's Office to use its subpoena power during the investigative process. The existing authority to issue subpoenas during an audit allows the office access to vital information it may not otherwise be able to obtain, and expanding that authority to the investigative process would assist the office in conducting a more effective review to determine if fraud exists. The legislation would also provide additional protections for whistleblowers who provide information to the State Auditor's Office.

Fitzpatrick's efforts to secure passage of the legislation during the 2023 session were nearly successful as the bill was just one vote in the Senate away from final passage. Because the session adjourned before that vote was taken, Fitzpatrick worked during the 2024 legislative session to pass similar legislation. His efforts were successful when both the House and Senate gave unanimous approval to the bill. Governor Mike Parson then signed the bill on July 11, 2024, and it took effect as law on August 28, 2024.

PETITION AUDITS

Under Missouri law, the State Auditor's office may be called on to audit any political subdivision of the state if enough qualified voters of that political subdivision request the audit. Section 29.230, RSMo, outlines the petition process and requirements.

Key provisions of the law:

- The political subdivision (a city, school district, taxing district, etc.) audited through the petition process is responsible for the cost of the audit.
- Petition signatures must be from registered voters who live within the boundaries of that political subdivision.
- The petition and signatures must be submitted to the State Auditor's Office within one year of the initial request.
- The person who submits the petition and signatures to the State Auditor's Office (the chief petitioner) must be a property owner or resident of the political subdivision.

The required number of signatures is generally determined based on the number of voters in that political subdivision who voted in the most recent election for governor. If that number is less than 1,000, the required number of signatures is based on the number of registered voters who were eligible to vote in the most recent election that included a governor's race.

The minimum number of signatures required can be determined using this table:

Number of votes cast in last election for governor	Required number of signatures
Below 1,000	25% of registered voters
1,000 to 4,999	15% of actual votes (200 minimum)
5,000 to 49,999	10% of actual votes (750 minimum)
50,000 or more	5% of actual votes (5,000 minimum)

Petition Audit Spotlight

City of Cuba

Residents of Cuba requested an audit through the petition process that gave the city a rating of "fair" and identified inadequate procedures to prepare city budgets and adequately monitor the city's financial condition.

The audit report details how the city did not establish adequate procedures to ensure transfers from the Electric and Natural Gas Funds to the city's General Fund are reasonable and used for intended purposes. City officials indicated the transfers were made to cover budget shortfalls in the General Fund.

The audit also identified inadequate procedures to prepare city budgets and adequately monitor the city's financial condition. Additionally, the audit found the city did not solicit proposals for professional services, including economic development services, city attorney and legal services, and engineering services.

ABOUT THE PUBLIC CORRUPTION AND FRAUD DIVISION

The Public Corruption and Fraud Division is a unit within the Missouri State Auditor's Office dedicated to rooting out fraud, waste, and abuse in state, county and local government and assisting law enforcement to ensure public officials are held accountable.

The division is made up of attorneys, auditors, and investigators and includes forensic auditing specialists and Certified Fraud Examiners. The division has a demonstrated history of working with local, state and federal law enforcement to pursue justice for taxpayers.

Audits performed by the Public Corruption and Fraud Division examine financial accountability, waste, opportunities for fraud, and whether government organizations and programs are operating economically and efficiently.

All audits are performed in accordance with generally accepted government auditing standards issued by the Comptroller General of the United States.

When there is a potential criminal violation of law, audit staff will cooperate and work with appropriate law enforcement. This includes providing forensic auditing assistance to the law enforcement agency investigating the case. The State Auditor's Office is willing and able to assist throughout the process, including providing testimony during legal proceedings.

HOW WE INVESTIGATE

We receive information on allegations of improper governmental activities.

Information is submitted to the State Auditor's Whistleblower Hotline. Under state law, individuals who make a report may choose to remain anonymous until they affirmatively consent to having their identity disclosed.

We review the submitted information.

Each year, we receive hundreds of tips from citizens, public employees and government officials. When information is received, it is reviewed for relevance and completeness. Whistleblowers who provide contact information may be contacted for additional information.

We investigate the allegations.

When allegations of fraud or abuse are reported, the Public Corruption and Fraud Division will complete an initial review to determine if allegations are credible. If not deemed credible or if insufficient documentation is provided, the case is closed. If deemed credible, there are a variety of potential steps. To learn more about the steps and the audit process, visit auditor.mo.gov/PCFD.

Whistleblowers can submit information by emailing moaudit@auditor.mo.gov, calling toll-free 1-800-347-8597, or using an online reporting form at auditor.mo.gov



FIGHTING PUBLIC CORRUPTION

Audit of City of Holland uncovers tens of thousands in missing funds

An audit of the City of Holland led to the former acting mayor being charged with eight counts of felony stealing. The report uncovered how Jessica Roach failed to deposit city funds in the amount of \$66,480 and misappropriated money and utility services totaling \$2,549. Auditor Fitzpatrick called it an “egregious breach of public trust” as it appeared Roach “lined her own pockets with city funds.”

Missouri couple faces charges after audit uncovers theft from the Dunklin County Sewer District

The husband and wife duo who mismanaged the Dunklin County Sewer District are each facing two dozen counts of felony stealing after an audit report identified more than \$160,000 in missing or misappropriated funds. The report detailed how Board President Corey Adams and his wife, Jennifer Adams, who was employed as the district’s bookkeeper, were responsible for at least \$62,579 in missing or misappropriated funds, additional missing money estimated to be at least \$98,096, and the district being placed in receivership. Auditor Fitzpatrick called it a “violation of the public’s trust” and pledged to work with law enforcement to ensure justice is served.

Potential for fraud leads to audit of City of Desloge Municipal Court

As the result of a Whistleblower Hotline website submission that raised concerns about possible fraudulent activity, Auditor Fitzpatrick announced an audit of the City of Desloge Municipal Court. The website submission raised concerns about the former court clerk misappropriating payments for fines within the municipal court. Fitzpatrick said, “Our goal with the audit is to get answers for taxpayers and root out any waste, fraud, or abuse that may exist within the city’s municipal court.”

Whistleblower Hotline contact prompts audit of City of Kennett

Claims of fraudulent activity prompted Auditor Fitzpatrick to launch an audit of the City of Kennett, located in Dunklin County. The audit is the result of a Whistleblower Hotline submission that led to a formal request by the City of Kennett for the State Auditor’s Office to perform a review of city operations and finances. Fitzpatrick said he hopes the audit will “give city officials a full understanding of what happened, as well as identify areas where the city can make improvements to prevent the misuse of tax dollars from happening again.”

ENSURING ACCOUNTABILITY IN MISSOURI COUNTIES

Ray County

An audit released by State Auditor Scott Fitzpatrick gave Ray County a rating of "poor" and identified nearly \$3,000 in missing money, as well as more than \$5,500 in questionable purchases made by the Ray County Sheriff's Office including beer, cigarettes, and 76 hams. The report, which was a regularly scheduled audit of the county, also called for improvements to controls and procedures in both the Ray County Sheriff's Office and the Ray County Prosecuting Attorney's Office.

"The audit was able to identify several key areas that need improvement in order to ensure the county government is more accountable to the taxpayers of Ray County. Specifically, the missing money and several questionable purchases made by the previous administration in the Ray County Sheriff's Office make it clear that office needed significant improvements to its accounting procedures to ensure taxpayer dollars aren't mismanaged or stolen," said Auditor Fitzpatrick.

Ozark County

The State Auditor's Office released a report identifying concerns in several county offices in Ozark County. The audit, which gave the county an overall rating of "fair," found some recurring issues, as well as several new concerns, since the last report issued for the county in 2019, which also gave a rating of "fair."

"There continue to be numerous areas where officials in Ozark County can make significant improvements that will allow them to better manage taxpayer money and resources," said Auditor Fitzpatrick.

The audit identified concerns with controls and procedures in the office of the Sheriff, as well as with the county's Recycling Center and the county's property tax system

Chariton County

An audit of Chariton County found county officials had failed to craft accurate budgets, which led to a multi-million dollar fund balance that Auditor Fitzpatrick said could be used to lower taxes for county residents. The report, which gave the county a rating of "good," found the county amassed a significant cash reserve with no documented plans for its use and minimal efforts to reduce revenues by lowering the property tax rate.

"I understand the county has seen an influx of one-time federal funds, but county officials have also crafted inaccurate budgets that have caused their fund balance to balloon to nearly \$8 million," said Fitzpatrick. "The enormous fund balance in the county's general revenue fund represents a great opportunity for the commission to lower the tax burden on the people of Chariton County. These dollars are better off in the hands of the people and businesses of Chariton County rather than in the county's coffers."

Howell County

Auditor Fitzpatrick released an audit of Howell County that gave the county a rating of "good" despite the report identifying some concerns with the county's financial practices.

The regularly-scheduled audit found the former County Collector improperly withheld and personally retained commissions on surtax and railroad and utility taxes collected for cities. These commissions totaled \$4,051 for the year ended February 28, 2022. A 2019 state audit of Howell County found a similar violation of state law.

The audit also found the county did not properly report property tax levy reductions to the State Auditor's Office, accurately calculate property tax reduction amounts, or consider whether transfers were needed to the Special Road and Bridge Fund to replace lost property tax revenue.

Polk County Collector

The State Auditor's Office completed an audit of the Polk County Collector's Office as required by state law when a vacancy occurs in the office of county collector. The 2022 resignation of longtime Polk County Collector Debbi McGinnis triggered the audit. In July 2022, Governor Parson appointed Rachel Boyce to fill the vacancy. Auditors identified no concerns in the report, which was an independent review of the operations and finances of the collector's office. The rating given by the audit was "excellent," the highest possible.

Auditor Fitzpatrick relaunched County Government Day in 2023. During the event he hosted county officials from across the state and provided them with the opportunity to learn best practices from his office.



ONGOING AUDITS

Francis Howell R-III School District

In April of 2023 Auditor Fitzpatrick launched an audit of the Francis Howell R-III School District. The audit came at the request of members of the General Assembly as well as a member of the school board. The request was the result of numerous concerns raised to the State Auditor's Office regarding fiscal and operational concerns with the school district. These were in large part spurred by concerns regarding the construction of the new Francis Howell North High School. Voters had approved a bond measure to support the construction with an estimated cost of \$86.4 million, but that cost ballooned a year later to more than \$164 million.

Child and Adult Care Food Program

An audit is currently underway of a program that reimburses child care centers and other providers for serving nutritious meals to eligible children and adults. The State Auditor's Office officially started a comprehensive audit of the Child and Adult Care Food Program (CACFP) on September 25.

The State Auditor's Office first began investigating issues surrounding the CACFP in May after a whistleblower complaint raised concerns about the potential misuse of federal dollars by the New Heights Community Resource Center. New Heights participated in the CACFP and received millions of dollars in federal funding. The whistleblower complaint alleged that New Heights may have used funds for purposes other than providing meals. The initial investigation conducted by the State Auditor's Office found the allegations to be credible, which led to the initiation of a comprehensive audit.

"With the enormous influx of federal dollars into our state the opportunity for fraud has increased dramatically. The allegations of these funds being used inappropriately are extremely concerning and deserving of a comprehensive review to ensure every dollar is used to provide healthy meals to kids," said Auditor Fitzpatrick.

St. Louis Circuit Attorney's Office

In May, Auditor Fitzpatrick announced his office would continue and complete an audit of the St. Louis Circuit Attorney's Office that originally began in June of 2021. Despite the abrupt resignation of Circuit Attorney Kim Gardner and her numerous attempts to ignore and delay the release of requested records, Auditor Fitzpatrick said the State Auditor's Office would work to obtain the remaining documents necessary to finish the audit.

"Even with her decision to step away earlier than expected, we have a duty to the people of St. Louis to complete our assessment of the performance of the Circuit Attorney's Office," said Fitzpatrick. He added, "One way or another, Kim Gardner will have to answer for her time as Circuit Attorney. Her sudden resignation doesn't negate the duty my office has to make sure the St. Louis Circuit Attorney's Office is transparent and accountable."

Jackson County Assessment Department

Auditor Fitzpatrick and his office are currently conducting a comprehensive review of the process used in Jackson County to assess property values. While Fitzpatrick was able to release preliminary results showing the process violated state law, his office continues its work to complete the audit that started after Jackson County residents were alarmed by significantly higher assessed valuations of their homes.

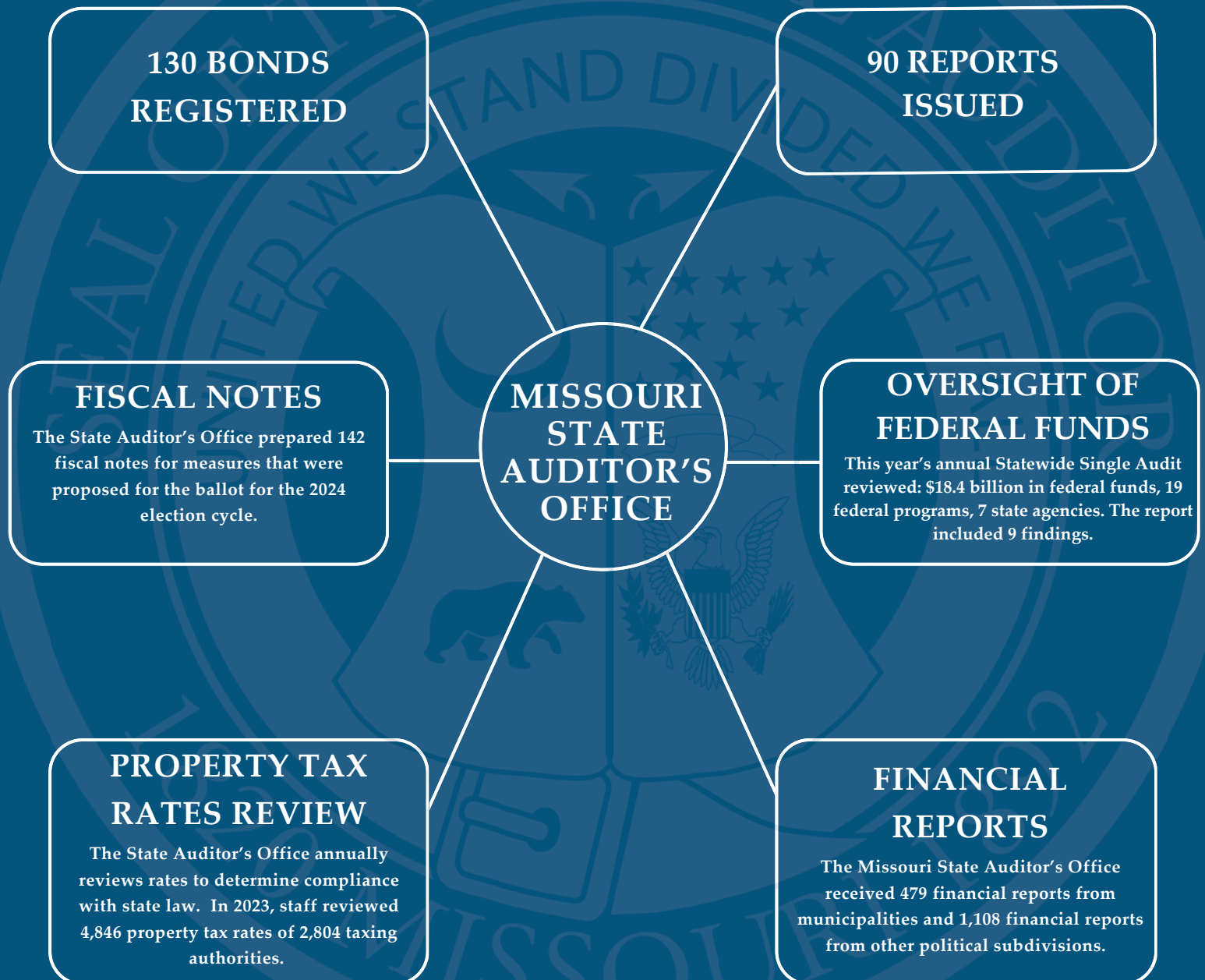
"Our team will conduct a thorough examination of the assessment process with a focus on the red flags and serious concerns raised by homeowners throughout Jackson County," said Auditor Fitzpatrick. "We will work diligently and as quickly as we can to provide much-needed answers to the tens of thousands of concerned Jackson County homeowners."

Medical and Recreational Marijuana Programs

The State Auditor's Office began a review of the state's marijuana program in August of 2023. As he started the audit, Auditor Fitzpatrick noted the amendments that legalized medical and then recreational marijuana "represent some of the most substantial changes we've seen to our state constitution in recent memory." He pointed out the provisions now make up more than one-fifth of the language in the Missouri Constitution.

"The medical and recreational marijuana programs created by these amendments are responsible for establishing a new industry in our state which has already generated more than \$1 billion in sales," said Auditor Fitzpatrick. "Considering the enormous impact they have had on our state, it's important that we conduct a thorough assessment of these programs to ensure they are operating in a manner that is efficient, accountable, and transparent."

2023 BY THE NUMBERS



2023 State Auditor's Office Reports

Report	Date Issued	Report Number
Monthly Report on Political Subdivision Filings October 2023	12/28/23	2023-090
Monthly Report on Municipal Court and Revenue Filings October 2023	12/28/23	2023-089
Schuyler County Financial Statements	12/22/23	2023-088
Clinton County Financial Statements	12/22/23	2023-087
Jackson County Assessment Department Preliminary Review	12/18/23	2023-086
Dekalb County Financial Statements	12/15/23	2023-085
Monthly Report on Political Subdivision Filings September 2023	11/22/23	2023-084
Monthly Report on Municipal Court and Revenue Filings September 2023	11/22/23	2023-083
Ozark County	11/21/23	2023-082
Ray County Financial Statements	11/17/23	2023-081
Department of Commerce and Insurance - Insurance	11/15/23	2023-080
Missouri State Lottery Commission	11/08/23	2023-079
Warren County Financial Statements	11/03/23	2023-078
Marion County Financial Statements	11/03/23	2023-077
Holt County Financial Statements	11/03/23	2023-076
Chariton County	10/27/23	2023-075
Henry County Financial Statements	10/27/23	2023-074
Dunklin County Sewer District	10/17/23	2023-073
Nodaway County Financial Statements	10/13/23	2023-072
Grundy County Financial Statements	10/13/23	2023-071
Monthly Report on Political Subdivision Filings August 2023	10/06/23	2023-070
Monthly Report on Municipal Court and Revenue Filings August 2023	10/06/23	2023-069
Stone County Financial Statements	10/06/23	2023-068
Ray County	10/02/23	2023-067
Howard County Financial Statements	09/29/23	2023-066
Miller County Financial Statements	09/22/23	2023-065
Douglas County Financial Statements	09/22/23	2023-064
St. John's Church Road Transportation Development District	09/22/23	2023-063
Review of Article X, Sections 16 Through 24, Constitution of Missouri Year Ended June 30, 2022	09/21/23	2023-062
Monthly Report on Political Subdivision Filings July 2023	09/15/23	2023-061
Monthly Report on Municipal Court and Revenue Filings July 2023	09/15/23	2023-060
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Greene County Fire Protection Districts	09/15/23	2023-058
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SOS Statewide Audits Summary Letter	09/15/23	2023-056
STO Statewide Audits Summary Letter	09/15/23	2023-055
DSS Statewide Audits Summary Letter	09/15/23	2023-054
DOR Statewide Audits Summary Letter	09/15/23	2023-053
DPS-MVC Statewide Audits Summary Letter	09/15/23	2023-052
DNR Statewide Audits Summary Letter	09/15/23	2023-051
DMH Statewide Audits Summary Letter	09/15/23	2023-050
DOLIR Statewide Audits Summary Letter	09/15/23	2023-049
DHEWD Statewide Audits Summary Letter	09/15/23	2023-048
DHSS Statewide Audits Summary Letter	09/15/23	2023-047
DESE Statewide Audits Summary Letter	09/15/23	2023-046
DED Statewide Audits Summary Letter	09/15/23	2023-045
DOC Statewide Audits Summary Letter	09/15/23	2023-044
MDC Statewide Audits Summary Letter	09/15/23	2023-043
OA Statewide Audits Summary Letter	09/15/23	2023-042
Missouri Vocational Enterprise Program	09/06/23	2023-041
Department of Revenue Sales and Use Tax	08/29/23	2023-040
Ralls County Financial Statements	08/25/23	2023-039
Olive Boulevard Transportation Development District	08/24/23	2023-038
Monthly Report on Political Subdivision Filings June 2023	08/18/23	2023-037
Monthly Report on Municipal Court and Revenue Filings June 2023	08/18/23	2023-036
City of St. Louis Recorder of Deeds and Vital Records Registrar	08/16/23	2023-035
Wentzville Parkway Transportation Development District	08/11/23	2023-034
Office of State Treasurer Period July 1, 2022 through January 9, 2023	08/09/23	2023-033
Office of State Treasurer 2022 Annual Report	08/09/23	2023-032
2022 Annual Report	07/28/23	2023-031

State of Missouri Single Audit Year Ended June 30, 2022	07/20/23	2023-030
Monthly Report on Political Subdivision Filings May 2023	07/07/23	2023-029
Monthly Report on Municipal Court and Revenue Filings May 2023	07/07/23	2023-028
Howell County	06/30/23	2023-027
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City of Cuba	06/14/23	2023-025
Monthly Report on Political Subdivision Filings April 2023	06/02/23	2023-024
Monthly Report on Municipal Court and Revenue Filings April 2023	06/02/23	2023-023
Annual Comprehensive Financial Report - Report on Internal Control, Compliance, and Other Matters Year Ended June 30, 2022	05/23/23	2023-022
Atchison County Financial Statements	05/19/23	2023-021
Polk County Collector and Property Tax System	05/18/23	2023-020
Monthly Report on Political Subdivision Filings March 2023	05/03/23	2023-019
Monthly Report on Municipal Court and Revenue Filings March 2023	05/03/23	2023-018
Washington County Financial Statements	04/07/23	2023-017
Reynolds County Financial Statements	04/07/23	2023-016
Gasconade County Financial Statements	03/31/23	2023-015
Monthly Report on Political Subdivision Filings February 2023	03/29/23	2023-014
Monthly Report on Municipal Court and Revenue Filings February 2023	03/29/23	2023-013
Gaming Proceeds for Education Fund	03/27/23	2023-012
Working Capital Revolving Fund	03/27/23	2023-011
Annual Comprehensive Financial Report / Year Ended June 30, 2022	03/24/23	2023-010
Compilation of 2022 Federal Forfeiture Reports	03/21/23	2023-009
Laclede County Financial Statements	03/17/23	2023-008
Monthly Report on Political Subdivision Filings January 2023	03/06/23	2023-007
Monthly Report on Municipal Court and Revenue Filings January 2023	03/06/23	2023-006
City of Cross Timbers-Utility Letter	02/27/23	2023-005
Compilation of 2022 Criminal Activity Forfeiture Act Seizures	02/22/23	2023-004
Monthly Report on Political Subdivision Filings December 2022	02/15/23	2023-003
Monthly Report on Municipal Court and Revenue Filings December 2022	02/15/23	2023-002
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